

**State Property and Buildings Commission  
Minutes**

**March 28, 2005**

The State Property and Buildings Commission was called to order on Monday, March 28, 2005 at 9:00 a.m. in Room 264 of the Capitol Annex by Robbie Rudolph, Chairman. Members present were Mike Alexander, proxy for Governor Ernie Fletcher; Ryan Watts, proxy for Lt. Governor Stephen B. Pence; Warren Nash; proxy for Marvin E. Strong, Secretary, Cabinet for Economic Development; and Bonnie Howell, proxy for Attorney General Greg Stumbo.

Secretary Rudolph verified with Commission staff that a quorum was present and that the press had been notified of the meeting. Secretary Rudolph introduced the first item of business, which was approval of the minutes of the February 10, 2005 meeting. A motion was made by Mr. Nash and seconded by Ms. Howell to accept the minutes of the February 10, 2005 meeting. Motion **CARRIED**.

Secretary Rudolph introduced Resolution 2005-05:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS  
COMMISSION OF THE COMMONWEALTH OF KENTUCKY  
APPOINTING A SECRETARY TO THE COMMISSION.**

Secretary Rudolph informed the Commission members that Charles "Buddy" Bell resigned his position as executive director of the Office of Financial Management. He indicated that Resolution 2005-05 appointed Tom Howard as secretary of the Commission until a replacement for Mr. Bell was named in order for him to execute documents on behalf of the Commission.

A motion was made by Ms. Howell and seconded by Mr. Nash to adopt Resolution 2005-05 naming Tom Howard as secretary to the Commission. Motion carried and **Resolution 2005-05 was ADOPTED**.

Secretary Rudolph introduced Resolution 2005-06:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS  
COMMISSION APPROVING THE CAPITAL CONSTRUCTION  
PROJECTS AUTHORIZED BY THE 2005 GENERAL ASSEMBLY  
WHERE SUCH PROJECTS ARE TO BE FINANCED BY THE  
ISSUANCE OF STATE PROPERTY AND BUILDINGS COMMISSION  
REVENUE BONDS OR OTHER AUTHORIZED STATE DEBT-  
ISSUING AUTHORITIES.**

Tom Howard, Acting Executive Director, Office of Financial Management discussed Resolution 2005-06. Mr. Howard indicated that this Resolution 2005-06 expresses the intent to reimburse the Commonwealth, from a tax perspective, to ensure that bonds could be issued to recapture funds used to fund capital construction projects authorized by the 2005 General Assembly. Mr. Howard further stated that adoption of this Resolution would create receivables for the purpose of advancing

funds for the authorized capital construction projects. Mr. Howard indicated that the projects authorized in House Bill 215, House Bill 267, House Bill 350, House 497 may be found in Exhibit A.

Mr. Nash asked if the total amount authorized was for the biennium. Mr. Howard indicated that was correct. Mr. Howard also indicated that the Commission typically approves these bond projects after the enactment of a regularly scheduled budget for the entire biennial period. Mr. Howard asked Bill Hintze, Deputy State Budget Director if he would like to comment.

Mr. Hintze indicated that 99 percent of these bonds were authorized in the current fiscal year with the debt service scheduled for some time next year. Mr. Hintze further indicated that Resolution 2005-06 facilitates action on the authorized projects. Mr. Hintze stated that the list is longer than normal and he reiterated that it is established procedure that after a regular session that enacts bonded indebtedness the projects are presented to the State Property and Buildings Commission for preliminary approval.

Ms. Howell asked if there was a priority listing for when the bonds would be issued? Mr. Howard indicated that bonds would begin to be issued immediately. He stated that the Turnpike Authority of Kentucky was meeting today to approve issuance of bonds but no schedule had been completely worked out for the General Fund and Agency supported bond projects.

A motion was made by Ms. Howell and seconded by Mr. Nash to adopt Resolution 2005-06, which approved the capital construction projects authorized by the 2005 General Assembly. Motion carried and Resolution 2005-06 was **ADOPTED**.

Secretary Rudolph introduced Resolution 2005-07:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000.**

Mr. Howard discussed Resolution 2005-07, which authorizes the issuance of Kentucky Housing Corporation Housing Revenue Bonds in an amount not to exceed \$90,000,000 in one or more series. Mr. Howard indicated the Kentucky Housing Corporation expects to issue bonds in three series: Series C, a non-AMT replacement refunding; Series D, fixed rate bonds; and Series E, synthetic fixed rate bonds issued as variable rate bonds and swap-backed to fixed rate bonds. Mr. Howard continued that the Series D and Series E Bonds would utilize private activity bond cap which will be requested at the April 15, 2005 meeting of the Kentucky Private Activity Bond Allocation meeting. Mr. Howard informed the Commission that the Kentucky Housing Corporation Board of Directors has approved the Series D and E issue and the Series C refunding will be approved at the Executive Committee meeting held later this morning. Mr. Howard

indicated the issuance of these bonds would allow the Corporation to continue to fund low interest rate mortgages to moderate-to-low income first-time homeowners.

A motion was made by Ms. Howell and seconded by Mr. Nash to adopt Resolution 2005-07 authorizing the issuance of Kentucky Housing Corporation Housing Revenue Bonds. Motion carried and Resolution 2005-07 was **ADOPTED**.

With no further business before the Commission, a motion was made by Mr. Nash and seconded by Ms. Howell to adjourn the meeting.

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Secretary  
State Property and Buildings Commission